

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



March 2, 2015

Jimmie Cho, Senior Vice President  
Gas Operations and System Integrity  
Southern California Gas Company  
555 West 5<sup>th</sup> Street, GT21C3  
Los Angeles, CA 90013

GA2014-32

**Subject: General Order (G.O.) 112-E Comprehensive Operation and Maintenance  
Inspection of Southern California Gas Company's Northern - Coastal Distribution  
Facilities**

Dear Mr. Cho:

The Safety Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112-E Comprehensive Operation and Maintenance Inspection of Southern California Gas Company's (SCG) Northern – Coastal Distribution Inspection Unit (Inspection Unit) on February 24-28, 2014. The inspection included a review of the Inspection Unit's records for calendar year 2013 and random inspections of pipeline facilities in the San Luis Obispo and Santa Maria districts. SED staff also reviewed the Inspection Unit's operator qualification records, which included field observation of randomly selected individuals performing covered tasks.

SED staff did not identify any probable violations of G.O. 112-E, Reference Title 49 Code of Federal Regulations (CFR), Part 192. However, SCG submitted its Internal Audit Findings documentation that contained non-compliances to SED. These non-compliances are noted in the enclosed "Summary of Inspection Findings". A summary of SED's recommendations for this Inspection Unit is enclosed in the "Recommendations and Concerns Summary".

Please provide a written response within 30 days of receipt of this letter indicating any updates or further corrective actions taken by SCG to mitigate and prevent recurrence of the non-compliances. Pursuant to Commission Resolution ALJ-274, SED staff has the authority to issue citations for each violation discussed during the inspection. SED will notify SCG of the enforcement action it plans to take after it reviews SCG's inspection response.

If you have any questions, please contact Michelle Wei, at (213) 620-2780.

Sincerely,

A handwritten signature in blue ink that reads 'Kenneth Bruno'.

Kenneth Bruno  
Program Manager  
Gas Safety and Reliability Branch  
Safety and Enforcement Division

CC: Michelle Wei SED/GSRB  
Kan Wai Tong SED/GSRB

Enclosures:

Summary of Inspection Findings

Recommendations and Concerns Summary

Attachment 1 – Leaks

Attachment 2 – CP10

Attachment 3 – Bridges and Spans

Attachment 4 – Leak Surveys

**Summary of Inspection Findings**  
**2014 SCG Northern - Coastal Distribution Inspection**  
**February 24-28, 2014**

**I. Probable Violations**

**SCG's Internal Audit Findings**

**1. Title 49 CFR Part 192, Section 192.13(c) – General Requirements**

*“Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.”*

**SCG Procedure 223.0125 – Leak Classification and Mitigation Schedules**

*“Section 4.1.2.1.1 – Code 2 leak indications shall be repaired or cleared no later than 15 months from the date the leak was reported.”*

*“Section 4.1.3.1 – Code 3 leak indications shall be reevaluated within 15 months of the date reported...”*

- A. SCG discovered and notified SED that the Inspection Unit repaired two Code 2 leaks beyond the 15 month compliance window (see Attachment 1 for details). The two leaks were originally discovered on May 23, 2012 and October 22, 2012. The Inspection Unit discovered these outstanding leak repairs while reviewing its exception reports. The leaks were permanently repaired on August 28, 2013 and February 10, 2014, respectively. SED found SCG in violation of Title 49 CFR, Part 192, Section 192.13(c).
- B. SCG discovered and notified SED that the Inspection Unit re-inspected two Code 3 leaks beyond the 15 month compliance window (see Attachment 1 for details).
  - i. Leak object 60026257 was initially discovered on September 18, 2009. It missed its re-evaluate date due to program issues with a new software system. A SCG compliance team notified the Inspection Unit that the leak object was still active on November 12, 2012. Upon further research, the Inspection Unit discovered that the leak had been permanently repaired on September 5, 2012. SCG has made many changes and updates to the software since the error occurred and implemented an additional report to monitor Code 3 leaks. SED found SCG in violation of Title 49 CFR Part 192, Section 192.13(c).
  - ii. Leak object 600278636 was initially discovered on February 23, 2006. It was discovered past the re-evaluate date during a compliance review on October 4, 2013. The leak re-evaluate inspection was completed that same day. No hazardous conditions were found during the inspection. SED found SCG in violation of Title 49 CFR Part 192, Section 192.13(c).



## **2. Title 49 CFR Part 192, Section 192.465(a) – External Corrosion Control: Monitoring**

*“Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months... However if tests at those intervals are impractical for separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.”*

- A. SCG discovered and notified SED that the Inspection Unit did not test the cathodic protection on 2,200 feet of 6-inch medium pressure main in Canoga Park district since its installation in 1974. SCG discovered the problem on February 7, 2013 and performed a field inspection of the pipeline the same day. This pipeline was connected to two other CP areas via ETS stations. SCG took cathodic protection (CP) readings at five points along the pipe segment and found them all within the minimum tolerance level for the - 850mV criteria. SCG decided to make the segment into a new CP area and designated it LA1565-C. SCG did not conduct cathodic protection pipe-to-soil test on a 2,200 feet of 6-inch medium pressure pipeline main in Canoga Park district since its installation in 1974. Therefore, SCG is in violation of Title 49 CFR Part 192, Section 192.465(a).
- B. SCG discovered and notified SED that the Inspection Unit did not test the cathodic protection on six isolated short CP sections of pipeline from 24 to 30 years. See Attachment 2 for a list of all the pipeline sections involved and resulting actions taken. Five sections were discovered during review of GIS data. The remaining section was discovered while conducting follow up on a leakage report. SCG did not test the cathodic protection on six isolated short CP sections of its pipeline for over 24 years. Therefore, SCG is in violation of Title 49 CFR Part 192, Section 192.465(a).

## **3. Title 49 CFR Part 192, Section 192.465(b) – External Corrosion Control: Monitoring**

*“Each cathodic protection rectifier or other impressed current power source must be inspected six times each calendar year, but with intervals not exceeding 2 ½ months, to ensure that it is operating.”*

SCG discovered and notified SED that the Inspection Unit missed the required bi-monthly inspection of two rectifiers because the reads were mistakenly posted as annual reads when created in SAP. The rectifier for CP package MNSN001 was installed in September 2012 and SCG failed to perform the bi-monthly rectifier reads from November 2012 to January 2014, with the exception of October 2013. The rectifier for CP package WDV002 was installed in February 2013 and SCG failed to perform the bi-monthly rectifier reads for March and May of 2013. The clerks who made the initial errors are no longer performing this job, but the current clerks have been advised to carefully check read point additions in SAP to ensure they have been entered with the correct maintenance cycle. Both areas have been within tolerance since the installation of the rectifiers. SCG failed to perform the bi-monthly rectifier reads for rectifier CP package MNSN001 and WDV002. Therefore, SCG is in violation of Title 49 CFR Part 192, Section 192.465(b).



**4. Title 49 CFR Part 192, Section 192.481(a) – Atmospheric Corrosion Control: Monitoring**

*“Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion as follows:  
If the pipeline is located onshore then the frequency of inspection is: at least once every 3 calendar years but with intervals not exceeding 39 months.”*

SCG discovered and notified SED that the Inspection Unit missed the one to six inspection cycles on six spans of pipe. The Inspection Unit identified the first two spans when an employee was conducting a routine patrol. The employee suspected that the spans were not part of an active Bridge and Span inspection cycle. As a result, the Inspection Unit initiated a review of all bridges and spans in the district and identified two more that did not have an inspection cycle assigned. Finally, the last two spans were discovered as a result of a review of the improved data from the Inspection Unit’s GIS mapping system. See Attachment 3 for further span details. All spans have been part of regular leak survey inspections with no leaks since 2009. All spans were found in good condition except the one noted. SCG failed to perform six inspection cycles on six pipeline spans. Therefore, SCG is in violation of Title 49 CFR Part 192, Section 192.481(a).

**5. Title 49 CFR Part 192, Section 192.723(b)(1)&(2) – Distribution Systems: Leakage Surveys**

*“(1) A leakage survey with leak detector equipment must be conducted in business districts... at intervals not exceeding 15 months, but at least once each calendar year.  
(2) A leakage survey with leak detector equipment must be conducted outside business districts as frequently as necessary, but at least once every 5 calendar years at intervals not exceeding 63 months. However, for cathodically unprotected distribution lines... a leakage survey must be conducted at least once every 3 calendar years at intervals not exceeding 39 months.”*

SCG discovered and notified SED that the Inspection Unit missed the required leak survey inspection on 21 segments of pipe. See Attachment 4 for pipe lengths and locations. Eight of these segments were discovered during routine office review, two were discovered by a leakage control clerk, and 11 were identified due to Sempra’s improved GIS mapping system. The 11 that were identified via the GIS system had been on a 5-year cycle for leak surveys since installation, but the improved accuracy in the mapping system revealed that they were supposed to be on 3-year cathodically unprotected steel cycles. Gas leak surveys were performed on all segments after discovery. There were no leaks found on any of the pipeline segments in question and pipe segments were assigned new routine inspection periods as appropriate. SCG failed to conduct leakage survey of cathodically unprotected pipeline segments at appropriate frequencies. Therefore, SCG is in violation of Title 49 CFR Part 192, Section 192.723(b)(1)&(2).

**6. Title 49 CFR Part 192, Section 192.705(b) – Transmission Lines: Patrolling**

*“The frequency of patrols... may not be longer than prescribed in the following table:*

Class location of line	Maximum interval between patrols	
	At highway and railroad crossings	At all other places
1,2	7 ½ months; but at least twice each calendar year.	15 months; but at least once each calendar year.
3	4 ½ months; but at least four times each calendar year.	7 ½ months; but at least twice each calendar year.
4	4 ½ months; but at least four times each calendar year.	4 ½ months; but at least four times each calendar year.

SCG discovered and notified SED that the Inspection Unit did not patrol two segments of a high pressure supply line quarterly as required at highway and railroad crossings in a Class 3 area. The non-compliance was discovered during a review of other completed work. The entire line had been on a semi-annual patrol since installation with no issues. The segments had been last inspected on August 28, 2013. The Inspection Unit discovered the non-compliance on December 11, 2013 and completed the inspection the next day, missing the inspection deadline by about two weeks. The Inspection Unit now has the two segments on quarterly inspection cycles. SCG did not conduct quarterly patrolling of two high pressure supply pipeline segments that intersect highway and railroad crossings in a Class 3 area as required by this section. Therefore, SCG is in violation of Title 49 CFR Part 192, Section 192.705(b).

**7. Title 49 CFR Part 192, Section 192.739(a) – Pressure limiting and regulating stations: Inspection and testing**

*“Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year to inspections and tests...”*

SCG discovered and notified SED that the Inspection Unit missed the inspection of one valve during a regulator station inspection of ID1680-N, located northwest of the intersection of Isaac Rd. and Worth St. in Valley Acres, Bakersfield district. The station inspection was completed on October 18, 2013. The prior year’s inspection had been completed on August 24, 2012. An SCG technician noticed that the valve had not been inspected during a review on December 11, 2013. The valve was inspected later that same day. The 15 month deadline was missed by about one month. SCG failed to conduct annual inspection of one valve in the regulator station ID 1680-N, during the annual regulator station inspections in 2013. Therefore, SCG is in violation of Title 49 CFR Part 192, Section 192.739(a).

## **II. Recommendations and Concerns Summary**

During the course of its field investigation, SED inspected pipeline span S047 in the Santa Maria district. At the time of inspection, the span was not exposed and the pipeline marker had been knocked down due to extensive earth movement in the agricultural field where it was located. The SCG cycle of inspection for a span is once every two years. SED recommends that SCG place this span on an accelerated inspection cycle to ensure pipeline markers are present at all time to warn excavators about the presence of pipeline and prevent damage to the pipe.



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Attachment 1 - Leaks

District	Leak ID	Leak Code	Address	City	Detect Date	Due Date	Leak Fix Date
Glendale	1206035	2	608 E. Elk Ave	Glendale	5/23/2012	8/23/2013	8/28/2013
Visalia	1241742	2	San Joaquin Ave & G St.	Tulare	10/22/2012	1/22/2014	2/10/2014
Glendale	600262527	3	244 N. Chevy Chase Dr.	Glendale	9/18/2009	12/18/2010	9/5/2012
San Luis Obispo	600278636	3	1445 Calle Joaquin	San Luis Obispo	2/23/2006	7/20/2013	N/A



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Attachment 2 - CP10s

District	Atlas	Installation Date	Address	City	Problem Discovered	Action Taken
Valencia	FG-04B-28	1988	Boxwood Ln. & Deodar Pl.	Santa Clarita	1/21/2014	read taken on 1/21/14 of -1.262V
Visalia	13-76	1985	Laspina St.	Tulare	2/10/2014	read taken on 2/14/14 of -1.268V
Branford	LA 950	1990	Weatland Ave. & Crockett St.	Los Angeles	1/28/2014	replacing with plastic, currently in permitting process WR#2139201
Santa Barbara	SBA 1808-4	1984	Primavera Rd. & Otono Dr.	Santa Barbara	2/7/2014	anode installed and read taken on 3/4/14 of -1.402V
Branford	LA 1168	1985	Dronfield Ave. & Jouette St.	Los Angeles	2/13/2014	replaced with plastic on 4/22/14
Canoga	LA 1542	1986	8900 De Soto Ave.	Los Angeles	11/4/2013	replaced with plastic service 1/27/14

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**Attachment 3 - Bridges & Spans**

District	Span Length (ft)	Atlas Sheet	Previous inspection	Problem Discovered	Date Inspected	Inspections Missed	Discovered...
San Luis Obispo	25' & 30'	SLO 5675-4	April 1991	1/2/2014	1/3/2014	6	by employee on patrol. These spans were previously deactivated in April 1991 because they were buried.
San Luis Obispo	85	SLO 5674-2	2009	1/2/2014	1/3/2014	1	by employee on patrol. The span was replaced in Oct. 2009 and never put back on the inspection cycle. Inspection noted surface rust and span was painted.
San Luis Obispo	25	SLO 5686-1	4/8/2011	1/22/2014	1/22/2014	1	during follow-up review of bridges/spans in SLO District.
San Luis Obispo	25	SLO 3896-1	10/1/2006	1/22/2014	1/22/2014	2	during follow-up review of bridges/spans in SLO District.
Valencia	30	FG-04-B28	1988	1/21/2014	1/22/2014	8	during office review of GIS data analysis.
Visalia	94	13-76	1985	2/10/2014	2/14/2014	9	during office review of GIS data analysis.

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**Attachment 4 - Leak Surveys**

District	Atlas Sheet	Feet	Pipe	Survey Type	Install Date (if applicable)	Previous Leak Survey	Survey Completed	# of Surveys Missed	Leaks Found?
Visalia	68-15	200	2" plastic	Business	1/16/2009	N/A	9/13/2012	3	None
Bakersfield	C2-910-65	500	16" steel	Semi-annual		4/4/2011	4/4/2012	1	None
Lancaster	LAN 63	1750	6" supply line	annual		6/25/2010	1/17/2013	2	None
Lancaster	LAN 73	1600	6" supply line	annual		6/16/2010	1/17/2013	2	None
Lancaster	QH 20	952	10" supply line	annual		4/25/2010	6/7/2012	1	None
Lancaster	ROS 12	720	6" supply line	annual		6/10/2010	5/22/2012	1	None
Branford	B-40	570	6" supply line	annual		6/1/2010	5/13/2012	1	None
Branford	LA 1329	710	12" supply line	annual		6/2/2010	5/2/2012	1	None
Valencia	C-2648-N	325	6" plastic	Business		9/27/2011	4/12/2013	1	None
Santa Barbara	SBA 1507-4	85	2" plastic	Business	1/20/2012	N/A	2/11/2014	2	None
Bakersfield	C3-61-62	723	2" steel	3 year unprotected	1951	3/20/2009	1/17/2014	9	None
Visalia	41-26	100	2" steel	3 year unprotected	1941	6/15/2006	6/23/2011	9	None
Visalia	91-89	275	2" steel	3 year unprotected	1963	5/25/2010	2/6/2014	7	None
Visalia	21-56	1500	2" steel	3 year unprotected	1936	7/30/2012	2/12/2014	11	None
Visalia	18-57	696	2" steel	3 year unprotected	1939	2/20/2009	2/13/2014	10	None
Visalia	27-57	454	2" steel	3 year unprotected	1948	6/18/2008	6/10/2013	8	None
Visalia	46-54	600	3" steel	3 year unprotected	1948	2/20/2009	9/19/2013	8	None
Santa Maria	SBA 5656-3	327	2" steel	3 year unprotected	1970	8/9/2006	8/12/2011	5	None
Visalia	2-57	560	2" steel	3 year unprotected	1954	3/24/2005	2/19/2010	7	None
Visalia	LA 945	180	2" steel	3 year unprotected	1954	6/10/2005	5/12/2010	7	None
Branford	B 5	28	2" steel	3 year unprotected	1954	9/6/2005	7/14/2010	7	None